



regulatory review and reform initiative

Advocacy: the voice of small business in government

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Advocacy Announces The Top 10 Rules For Review And Reform

Rules Nominated By Small Business As Part Of The r3 Initiative

WASHINGTON, D.C. – The Office of Advocacy today announced the 2008 Top 10 Rules for Review and Reform. The Top 10 are drawn from over 80 rules nominated by small business owners and their representatives as part of the Regulatory Review and Reform (r3) initiative. The recommendations have been transmitted to the appropriate federal agencies for their action.

“The strongest and most compelling cases made our Top 10 list of rules,” said Thomas M. Sullivan, Chief Counsel for Advocacy. “These rules, nominated by small business, need to be reviewed by federal agencies to determine if they are outdated, ineffective, duplicative, or overly complex. Streamlining and updating these regulations will help ease the disproportionate federal regulatory burden placed on small business.”

Advocacy created the r3 initiative as a way to address the cumulative burden of federal regulations that now costs our economy \$1.1 trillion per year, which is more per household than the cost of health insurance. The smallest of businesses bear the brunt of regulations. According to Office of Advocacy research, they annually pay 45 percent more per employee to comply with federal regulations than big businesses do.

The 2008 Top 10 Rules for Review and Reform are listed in the *Report on the Regulatory Flexibility Act, FY 2007*, released today. The annual Regulatory Flexibility Act report will list each year's r3 Top 10 nominations and the status of agency actions on previous nominations.

In order to track agency action on the Top 10, Advocacy has posted the list to its website (www.sba.gov/advo/r3); an update on the status of agency reviews will be published twice a year. Advocacy encourages small businesses and their representatives to follow the progress of the reviews and comment to the agencies on that progress.

The 2008 Top 10 rules were chosen on the basis of several factors: (1) whether the rule could reasonably be tailored to accomplish its intended objectives while reducing the impact on small businesses or small communities; (2) whether the rule being nominated has ever been reviewed for its impact on small entities; (3) whether technology, economic conditions, or other factors have changed since the rule was originally written; (4) whether the rule imposes duplicative requirements; and (5) the overall importance of the rule to small businesses and small communities.

(MORE)

(Add 1, Top 10 rules)

Nominations not chosen have given Advocacy valuable insight into the regulatory issues of concern to small businesses, which will help Advocacy prioritize its regulatory agenda in 2008.

Top 10 Rules Ready for Review and Reform

After significant review and analysis of the 82 nominations received, the Chief Counsel for Advocacy selected the following nominations as the 2008 Top 10 Rules for Review and Reform, listed here in alphabetical order by agency:

<u>Rule</u>	<u>Agency</u>	<u>Description</u>
Update air monitoring rules for dry cleaners to reflect current technology	Environmental Protection Agency (EPA)	Revise testing requirements to reward environmentally friendly dry cleaning methods.
Flexibility for community drinking water systems	Environmental Protection Agency (EPA)	Expand ways for small communities to meet protective drinking water standards.
Simplify the rules for recycling solid wastes	Environmental Protection Agency (EPA)	Simplify the rules for recycling useful materials that, because of their current classification, must be handled, transported, and disposed of as hazardous wastes.
Clearly define “oil” in oil spill rules	Environmental Protection Agency (EPA)	Clarify the definition of “oil” in the oil spill program, so that small facilities storing nonpetroleum-based products are not unintentionally captured by spill program requirements.
Update flight rules for the Washington, DC, regional area	Federal Aviation Administration (FAA)	Review the flight restriction rule for the region surrounding Washington, DC, to determine whether it could be revised to avoid harming small airports within the region.
Eliminate duplicative financial requirements for architect-engineering services firms in government contracting	Federal Acquisition Regulation (FAR) Council	Remove or reduce duplicative retainage requirements in architect-engineering services contracts, as has been done for other services.
Simplify the home office business deduction	Internal Revenue Service (IRS)	Permit a standard deduction for home-based businesses, which constitute 53 percent of all small businesses.

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(Add 2, Top 10 Rules)

Update rules on the use of explosives in mines to reflect modern industry standards	Mine Safety and Health Administration (MSHA)	Update to be consistent with modern mining industry explosives standards.
Medical/laboratory worker rule	Occupational Safety and Health Administration (OSHA)	Review to determine whether the rule can be made more flexible in situations where workers do not have potential exposure to bloodborne pathogens.
Reverse auction techniques for online procurement	Office of Federal Procurement Policy (OFPP)	Review system to examine how reverse auctions impact small firms.

Find out more about the r3 initiative and agency progress in reviewing the Top 10 rules by visiting www.sba.gov/advo/r3.

The Office of Advocacy, the “small business watchdog” of the federal government, examines the role and status of small business in the economy and independently represents the views of small business to federal agencies, Congress, and the President. It is the source for small business statistics presented in user-friendly formats, and it funds research into small business issues.

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The Office of Advocacy of the U.S. Small Business Administration (SBA) is an independent voice for small business within the federal government. The presidentially appointed Chief Counsel for Advocacy advances the views, concerns, interests of small business before Congress, the White House, federal agencies, federal courts, and state policy makers. For more information, visit www.sba.gov/advo, or call (202) 205-6533.